



[6450-01-P]

DEPARTMENT OF ENERGY

Office of Energy Efficiency and Renewable Energy

Nationwide Categorical Waivers Under the American Recovery and Reinvestment Act of 2009 (Recovery Act)

AGENCY: Office of Energy Efficiency and Renewable Energy, U.S. Department of Energy (DOE).

ACTION: Notice of Limited Waivers

SUMMARY: The U.S. Department of Energy (DOE) is hereby granting a nationwide limited waiver of the Buy American requirements of section 1605 of the Recovery Act under the authority of Section 1605(b)(2), (iron, steel, and the relevant manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality), with respect to Recovery Act projects funded by EERE for pre-insulated district heating pipe system consisting of thin wall thickness steel pipe meeting the EN13941 standard, bonded to polyurethane foam insulation, bonded to an HDPE jacket, such that all the components operate as a single pipe (including two 1.5 mm squared area copper wires embedded in the insulation for leak detection and location); pre-insulated steel fittings with the same characteristics as the pre-insulated

pipe; and pre-insulated maintenance free ball valves with an all welded valve body and a stainless steel valve ball in a spring loaded teflon seat, having the same insulation and jacket characteristics as the pipe.

DATES: Effective Date: 03/27/2012

FOR FURTHER INFORMATION CONTACT: Christine Platt-Patrick, Office of Energy Efficiency and Renewable Energy (EERE), (202) 287-1553, Department of Energy, 1000 Independence Avenue SW., Mailstop EE-2K, Washington, DC 20585.

SUPPLEMENTARY INFORMATION: Under the authority of American Recovery and Reinvestment Act of 2009 (Recovery Act), Pub. L. No. 111-5, section 1605(b)(2), the head of a Federal department or agency may issue a “determination of inapplicability” (a waiver of the Buy American provision) if the iron, steel, or relevant manufactured good is not produced or manufactured in the United States in sufficient and reasonably available quantities and of a satisfactory quality (“nonavailability”). The authority of the Secretary of Energy to make all inapplicability determinations was re-delegated to the Assistant Secretary for Energy Efficiency and Renewable Energy (EERE), for EERE projects under the Recovery Act, in Redlegation Order No. 00-002.01E, dated April 25, 2011. Pursuant to this delegation the Acting Assistant Secretary, EERE, has concluded that: Pre-insulated district heating pipe system consisting of thin wall thickness steel pipe meeting the EN13941 standard, bonded to polyurethane foam insulation, bonded to an HDPE jacket, such that all the components

operate as a single pipe (including two 1.5 mm squared area copper wires embedded in the insulation for leak detection and location); pre-insulated steel fittings with the same characteristics as the pre-insulated pipe; and pre-insulated maintenance free ball valves with an all welded valve body and a stainless steel valve ball in a spring loaded teflon seat, having the same insulation and jacket characteristics as the pipe, is not produced or manufactured in the United States in sufficient and reasonably available quantities and of a satisfactory quality. The above item, when used on eligible EERE Recovery Act-funded projects, qualifies for the “nonavailability” waiver determination.

EERE has developed a robust process to ascertain in a systematic and expedient manner whether or not there is domestic manufacturing capacity for the items submitted for a waiver of the Recovery Act Buy American provision. This process involves a close collaboration with the United States Department of Commerce National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership (MEP), in order to scour the domestic manufacturing landscape in search of producers before making any nonavailability determinations.

The MEP has 59 regional centers with substantial knowledge of, and connections to, the domestic manufacturing sector. MEP uses their regional centers to ‘scout’ for current or potential manufacturers of the product(s) submitted in a waiver request. In the course of this interagency collaboration, MEP has been able to find exact or partial matches for manufactured goods that EERE grantees had been unable to locate. As a result, in those cases, EERE was able to work with the grantees to procure American-made products rather than granting a waiver.

Upon receipt of completed waiver requests for the product in this current waiver, EERE reviewed the information provided and submitted the relevant technical information to the MEP. The MEP then used their network of nationwide centers to scout for domestic manufacturers. The MEP reported that their scouting process did not locate any domestic manufacturers for these exact or equivalent items.

In addition to the MEP collaboration outlined above, the EERE Buy American Coordinator worked with other manufacturing stakeholders to scout for domestic manufacturing capacity or an equivalent product for each item contained in this waiver. EERE also conducted significant amounts of independent research to supplement MEP's scouting efforts, including utilizing the solar experts employed by the Department of Energy's National Renewable Energy Laboratory. EERE's research efforts confirmed the MEP findings that the good included in this waiver is not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality.

The nonavailability determination is also informed by the inquiries and petitions to EERE from recipients of EERE Recovery Act funds, and from suppliers, distributors, retailers and trade associations—all stating that their individual efforts to locate domestic manufacturers for the item have been unsuccessful.

Specific technical information for the manufactured goods included in this non-availability determination is detailed below:

Pre-insulated district heating pipe system consisting of thin wall thickness steel pipe meeting the EN13941 standard, bonded to polyurethane foam insulation, bonded to an HDPE jacket, such that all the components operate as a single pipe (including two 1.5 mm squared area copper wires embedded in the insulation for leak detection and location); pre-insulated steel fittings with the same characteristics as the pre-insulated pipe; and pre-insulated maintenance free ball valves with an all welded valve body and a stainless steel valve ball in a spring loaded teflon seat, having the same insulation and jacket characteristics as the pipe.

Pre-insulated hot water district energy piping manufactured as a system to meet quality standards (EN Standards, ISO 9001, and ISO 14001) that test all aspects of the individual components (insulation cell structure/water absorption/compression resistance) plus ensure compliance of the finished system to five rigorous tests: axial and tangential shear strength, aged shear strength, creep and impact resistance. This degree of diligence is not imposed on thermal distribution piping manufactured as individual parts, and as a result products produced as a system to meet the above referenced standards better predict overall long term behavior of the system under sustained high temperature, resulting in lower life cycle cost and greater system efficiency. Because there is not a US manufacturer who makes a complete system, the components (pre-insulated valves, fittings, bends, etc.) of a hot water district energy system, have not been tested together to ensure that the entire system behaves in the same manner.

In light of the foregoing, and under the authority of section 1605(b)(2) of Pub. L. No. 111–5 and Redelelegation Order 00-002-01E, with respect to Recovery Act projects funded by EERE, I hereby issue a “determination of inapplicability” (a waiver under the Recovery Act Buy American provision) for: Pre-insulated district heating pipe system consisting of thin wall thickness steel pipe meeting the EN13941 standard, bonded to polyurethane foam insulation, bonded to an HDPE jacket, such that all the components operate as a single pipe (including two 1.5 mm squared area copper wires embedded in the insulation for leak detection and location); pre-insulated steel fittings with the same characteristics as the pre-insulated pipe; and pre-insulated maintenance free ball valves with an all welded valve body and a stainless steel valve ball in a spring loaded teflon seat, having the same insulation and jacket characteristics as the pipe.

Having established a proper justification based on domestic nonavailability, EERE hereby provides notice that on March 27, 2012, one (1) nationwide categorical waiver of section 1605 of the Recovery Act were issued as detailed *supra*. This notice constitutes the detailed written justification required by Section 1605(c) for waivers based on a finding under subsection (b).

This waiver determination is pursuant to the delegation of authority by the Secretary of Energy to the Assistant Secretary for Energy Efficiency and Renewable Energy with respect to expenditures within the purview of his responsibility. Consequently, this waiver applies to all EERE projects carried out under the Recovery Act.

Authority: Pub. L. 111–5, section 1605.

Issued in Washington, DC on March 27, 2012

Henry Kelly
Acting Assistant Secretary
Energy Efficiency and Renewable Energy
U.S. Department of Energy

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